

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re)	Chapter 11
)	
KAZI FOODS OF MICHIGAN, INC.,)	Case No. 11-43971
)	
Debtor.)	Judge Thomas J. Tucker
)	
)	
In re)	Chapter 11
)	
KAZI FOODS OF FLORIDA, INC.,)	Case No. 11-43986
)	
Debtor.)	Judge Steven W. Rhodes
)	
)	

**OBJECTION TO THE FIRST DAY JOINT MOTION FOR
AN ORDER AUTHORIZING THE CONTINUED USE OF THEIR PREPETITION
CASH MANAGEMENT SYSTEMS, BANK ACCOUNTS AND BUSINESS FORMS**

General Electric Capital Corporation (“GE Capital”) and Colonial Pacific Leasing Corporation (“Colonial” and, together with GE Capital and their affiliates the “GE Entities”), hereby object to the First Day Joint Motion of Debtors for an Order Authorizing the Continued Use of Their Prepetition Cash Management Systems, Bank Accounts, and Business Forms [Docket No. 10] (the “Cash Management Motion”), and state as follows:

1. The Cash Management Motion makes clear that, prior to filing for bankruptcy protection, the Debtors maintained at least one consolidated account. *See Cash Management Motion*, ¶ 15 (“the Debtors also maintain Account No. ending 7520 at Bank of America...as an additional payroll account”). It does not specify, however, if any other affiliates of the Debtors have an interest in, or have access to, this account or any other accounts identified in the Cash Management Motion. In addition, the Cash Management Motion does not assert that the post-

petition operations of the Debtors will observe corporate formalities between and among the Debtors and their non-debtor affiliates, insiders, and equity holders.

2. For the reasons stated more fully in the Memorandum of Law in Support of the Motion of General Electric Capital Corporation and Colonial Pacific Leasing Corporation to Appoint Chapter 11 or Examiner with Expanded Powers to Oversee Sale of the Debtors' Restaurants (the "Trustee Memorandum"), the GE Entities are informed and believe that the Debtors have engaged in a pattern and practice of comingling assets and/or fraudulently transferring assets between the Debtors, their affiliates, insiders, and equity holders. As such, the GE Entities object to the Cash Management Motion to the extent that it fails to specifically require the Debtors to observe corporate formalities and to otherwise cease any pre-petition practices related to unauthorized transfers between and among their affiliates, insiders, and equity holders.

3. Indeed, the GE Entities find it troubling that the Cash Management Motion fails to describe any aspect of the Debtors' "cash management system" beyond the identification of the Debtors' bank accounts. While the GE Entities agree with the Debtors that the preservation of at least some portion of their pre-petition cash management system and/or bank accounts is necessary, such authorization should not be granted until it can be confirmed that the Debtors' assets are not placed at risk of diminution by: (i) any comingling of those accounts with the assets of non-debtor entities, and/or (ii) the access or control of non-debtor entities to those accounts.

4. For these reasons, the GE Entities request that the any relief sought by the Debtors in the Cash Management Motion require the Debtors to: (i) set forth in detail the structure and operation of their "cash management system"; and (ii) disclose whether any non-

debtor entities may have an interest in, or access to, the cash management system and/or accounts the Debtors wish to preserve.

Dated: February 21, 2011
Detroit, Michigan

PLUNKETT COONEY

By: /s/ David A. Lerner
David A. Lerner – P44829
Attorney for GE Entities
38505 Woodward Ave., Suite 2000
Bloomfield Hills, MI 48304
Telephone: (248) 901-4000
Facsimile: (248) 901-4040
dlerner@plunkettcooney.com

-and-

REED SMITH LLP

Alexander Terras
10 South Wacker Drive, 40th Floor
Chicago, IL 60606
Telephone: (312) 207-1000
Facsimile: (312) 207-6400
aterras@reedsmith.com

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